

IC 23-1.5-2

Chapter 2. Administrative Provisions

IC 23-1.5-2-1

Application of IC 23-1

Sec. 1. IC 23-1 applies to professional corporations formed under this article. However, in the event of a conflict between this article and IC 23-1, this article applies.

As added by P.L.239-1983, SEC.1.

IC 23-1.5-2-2

Performance of administrative functions by bureaus

Sec. 2. All administrative functions, duties, and responsibilities assigned by this article to any licensing authority shall be performed by the appropriate bureau.

As added by P.L.239-1983, SEC.1.

IC 23-1.5-2-3

Formation of professional corporations; authorization of investments; admission of foreign professional corporations

Sec. 3. (a) Except as provided in subsections (c) and (d) and IC 25-2.1-5, a professional corporation may be formed to render professional services as follows:

(1) One (1) or more accounting professionals may form a professional corporation to render services that may legally be performed only by an accounting professional.

(2) One (1) or more architectural or engineering professionals may form a professional corporation to render services that may legally be performed only by an architectural or engineering professional.

(3) One (1) or more attorneys may form a professional corporation to render services that may legally be performed only by an attorney.

(4) One (1) or more health care professionals may form a professional corporation to render services that may legally be performed only by a health care professional.

(5) One (1) or more veterinarians may form a professional corporation to render services that may legally be performed only by a veterinarian.

(6) One (1) or more real estate professionals may form a professional corporation to render services that may legally be performed only by a real estate professional.

(b) A foreign professional corporation may be admitted to render professional services in Indiana by complying with IC 23-1.5-5.

(c) A domestic professional corporation or a foreign professional corporation admitted to render professional services in Indiana:

(1) shall have at least one (1) shareholder who is licensed in Indiana; and

(2) may have at least one (1) shareholder who is licensed under the laws of another state to render similar professional services.

(d) In addition to the professional services permitted by its articles of incorporation, a professional corporation may invest its funds in any type of investment not prohibited by law.

As added by P.L.239-1983, SEC.1. Amended by P.L.229-1995, SEC.5; P.L.34-1997, SEC.3; P.L.128-2001, SEC.1.

IC 23-1.5-2-4

Qualifications of directors and officers

Sec. 4. The directors of a professional corporation and all the officers other than the secretary and the treasurer must be qualified persons with respect to the corporation.

As added by P.L.239-1983, SEC.1.

IC 23-1.5-2-5

Persons rendering professional services; licensing

Sec. 5. (a) A professional corporation may render professional services only through individuals permitted to render such services in Indiana. However, individuals who are not usually and ordinarily considered by custom and practice to be rendering professional services (such as clerks, bookkeepers, and technicians) are not required to be licensed to perform their services.

(b) A licensed individual acting in his individual capacity may render professional services, even though the individual may be a shareholder, director, officer, employee, or agent of a professional corporation.

As added by P.L.239-1983, SEC.1.

IC 23-1.5-2-6

Liability of corporation, shareholders, and persons rendering professional services

Sec. 6. (a) An individual who renders professional services as an employee of a professional corporation is liable for any negligent or wrongful act or omission in which he personally participates to the same extent as if he rendered such services as a sole practitioner.

(b) An individual who renders professional services as an employee of a professional corporation is liable for the conduct of other employees of the professional corporation under his direction or control to the same extent a sole practitioner would be so liable.

(c) A corporation whose employees perform professional services within the scope of their employment or of their apparent authority to act for the corporation is liable to the same extent as its employees.

(d) Except as otherwise provided by statute or by rule of the licensing authority, the personal liability of a shareholder of a professional corporation is no greater in any respect than that of a shareholder of a corporation organized under IC 23-1.

As added by P.L.239-1983, SEC.1.

IC 23-1.5-2-7

Relationship of patient or client to corporation or person

performing professional services; privileged communications

Sec. 7. (a) The relationship between an individual performing professional services as an employee of a professional corporation and a client or patient is the same as if the individual performed such services as a sole practitioner.

(b) The relationship between a professional corporation performing professional services and the client or patient is the same as between the client or patient and the individual performing the services.

(c) A privilege applicable to communications between a person rendering professional services and the person receiving such services recognized under Indiana law remains inviolate and extends to a professional corporation and its employees in all cases in which it applies to communications between an individual rendering professional services on behalf of the corporation and the person receiving such services.

As added by P.L.239-1983, SEC.1.

IC 23-1.5-2-8

Corporate name

Sec. 8. (a) The corporate name of every professional corporation organized under this article:

- (1) must include the words "Professional Services Corporation" or "Professional Corporation" or an abbreviation of these words;
- (2) may not contain any word or phrase that indicates or implies any purpose or power not possessed by corporations organizable under this article; and
- (3) may not contain any word or phrase that indicates that it is organized for any purpose other than that listed in the articles of incorporation.

In addition, only a professional corporation in which all shareholders are physicians licensed under IC 25-22.5 may use the term "medical" in its corporate name.

(b) A licensing authority may by rule adopt further requirements than those specified in subsection (a) as to the names of professional corporations organized under this article.

As added by P.L.239-1983, SEC.1.

IC 23-1.5-2-9

Certificates of registration and incorporation; issuance

Sec. 9. (a) The secretary of state may issue a certificate of incorporation under this article only if a certificate of registration has first been obtained as provided by this section.

(b) Application for a certificate of registration:

- (1) shall be made to the bureau in writing; and
- (2) must contain the name and address of the proposed corporation and such other information as may be required by a licensing authority.

(c) Upon receipt of the application, the licensing authority shall

review the application and make such investigation of the proposed corporation as it considers necessary. If the licensing authority finds that:

- (1) the directors and shareholders are properly licensed in compliance with statute and the rules of the licensing authority; and
- (2) the corporation will be organized in compliance with statute and with the rules of the licensing authority;

the licensing authority shall certify to the bureau that a certificate of registration should be issued. When the bureau has received approval from the appropriate licensing authorities, the bureau shall issue, upon payment of a registration fee of twenty-five dollars (\$25), a certificate of registration.

(d) The incorporators shall present the certificate of registration to the secretary of state at the time the articles of incorporation are presented for filing.

(e) The secretary of state shall issue a certificate of incorporation within sixty (60) days after the date the articles of incorporation are filed, if he finds that the articles of incorporation conform to law.

(f) After the articles of incorporation are approved, the secretary of state shall:

- (1) place his endorsement on the certificate of registration; and
- (2) return to the incorporators the certificate of registration and the certificate of incorporation, along with all accompanying documents.

(g) The certificate of registration takes effect upon the issuance of the certificate of incorporation by the secretary of state, and remains in effect until January 31 following the date of incorporation.

As added by P.L.239-1983, SEC.1.

IC 23-1.5-2-10

Certificate of registration; renewal

Sec. 10. (a) The certificate of registration must be renewed biennially before January 31 of even numbered years. The holder of the certificate of registration must apply for renewal by submitting to the bureau:

- (1) a written application upon a form prescribed by the bureau; and
- (2) a fee of twenty dollars (\$20).

(b) The licensing authority shall submit its approval to the bureau for the renewal of the certificate of registration if the licensing authority finds that the corporation has complied with:

- (1) this chapter; and
- (2) the rules of the licensing authority.

As added by P.L.239-1983, SEC.1. Amended by P.L.152-1988, SEC.4.

IC 23-1.5-2-11

(Repealed by P.L.34-1997, SEC.26.)

IC 23-1.5-2-11.1

Biennial report

Sec. 11.1. A professional corporation must file a biennial report under IC 23-1.

As added by P.L.34-1997, SEC.4.